MALONE COMMITTEE REPORT

August 25, 1988

ITEM 1
Mtg. #9/88

TO: THE BOARD OF INTERNAL ECONOMY, SASKATCHEWAN LEGISLATURE

Mr. Robert Andrew
Mr. Murray Koskie
Mr. Ralph Goodale

Dear Sirs:

By Order-In-Council dated May 24, 1988, the undersigned were appointed pursuant to s. 67.1 of The Legislative Assembly and Executive Council Act to review and make recommendations with respect to the allowances, disbursements and other payments made to members of the Saskatchewan Legislature and Executive Council pursuant to ss. 41, 42, 43 and 60 to 63 of The Legislative Assembly and Executive Council Act and ss. 8(1) and (2) and (11)(1) of The Government Organization Act.

The sections of The Legislative Assembly and Executive Council Act refer to the indemnities and allowances paid to Members of the Legislature, and to those Members who have additional responsibilities as Speaker, Deputy Speaker, Deputy Chairman of Committees, Chairmen of the Crown Corporation Committee and Public Accounts Committee, Opposition House Leader, Government Whip, Opposition Whip, Third Party Whip, Deputy Whips, Leader of the Opposition, and Leader of the Third Party. The sections of The Government Organization Act refer to the salaries paid to the Premier, as President of the Executive Council, Cabinet Ministers and legislative secretaries.

In arriving at our conclusions, we have considered the indemnities paid to legislators in the other provinces, Yukon, the Northwest Territories and the House of Commons.

Although our mandate extends to making recommendations only with respect to salaries, we have also considered the various expense allowances and benefits available to Members. These include allowances for travel, communication with constituents, office and secretarial help, and a per diem while attending the sitting of the legislature and caucus meetings. We believe the extent to which Members are permitted to reimburse themselves for out-of-pocket expenses is an important, even critical, factor in determining the amount to be paid to Members as a basic indemnity. In this regard, we note that Members recently approved increases in the various expense allowances available to them. These increases, in our opinion, have effectively placed Members in a position whereby they are no longer required to pay any significant expenses directly attributable to their office from their basic indemnity.

In arriving at our conclusions, we have attempted to set a fair remuneration based on the assumption that normal economic conditions prevail throughout the province. That is, we have sought to avoid being influenced in our conclusions by the boom or bust cycles that are common to Saskatchewan. We do not believe it appropriate to recommend a salary that is inordinately high but acceptable in times of economic prosperity nor a salary that is artifically low but reflects a depressed economy. The duties and responsibilities of the Members remain the same in either situation and their remuneration should be fixed accordingly.

At present the base salary paid to Members is broken into three categories:

(1) Indemnity -	$ 13,612.00
(2) Expense allowance -	14,243.00
(3) Sessional allowance -	7,356.00
Total	$ 35,211.00

These amounts, and all other salaries, have been "frozen" since 1984 and the total remuneration of $35,211.00 is the lowest of all provinces except for Prince Edward Island. The remuneration for Members of other provincial legislatures, Yukon and the Northwest Territory ranges from a high of $61,999.00 (Quebec) to a low of $27,600.00 (Prince Edward Island).

It has been suggested it would not be unfair to simply pay Members of the Saskatchewan Legislature the average earned by legislators across Canada (not including the House of Commons) which is $42,400.00 (rounded). We have considered the suggestion and find it reasonable. This method of calculating the indemnity ensures that it will not be disproportionate to salaries paid by the other provinces. Furthermore, the amount of $42,400.00 is only slightly more than that obtained by applying the cost of living increase in Saskatchewan between 1984 and 1988 as calculated by the Consumer Price Index to the existing base pay of $35,211.00. We do not believe, however, this sum should be divided into three categories as is presently done.

We can find no reason to have a separate indemnity for the Legislative Session nor any justification to maintain the separate expense allowance to the extent presently enjoyed.

The expense allowances previously referred to are of such a nature that most of the Members' direct expenses are now fully covered and they should not receive the double benefit that would occur if the separate lump sum expense allowance was continued at its present level. We recognize, however, that Members still incur indirect and necessary expenses related to their office that do not fall con-

veniently into the specific expense categories referred to. It is difficult, however, to fix with any degree of precision an exact amount to meet these expenditures because of their uncertain nature. We have, therefore, arbitrarily fixed an amount which we feel is reasonable, if not generous, in the circumstances.

We would recommend that the basic indemnity of Members be $42,400.00, with no separate allowance for a Sessional indemnity, and be paid as $35,400.00, by way of salary and $7,000.00 by way of expense allowance.

This recommendation is based on the fact the Legislature consists of 64 Members and does not take into consideration the possibility of an increase through redistribution. Should this occur, the duties and responsibilities of Members should become less onerous and their basic indemnity should be adjusted accordingly. We, therefore, recommend that at such time as an increase in Members takes place, their salary and expense allowance be reviewed to determine if they should be maintained at the level we have recommended.

At present the Premier is paid a salary of $37,265.00 - a sum which we feel is grossly inadequate. Only Manitoba and Yukon pay their Premiers less and the other provinces pay significantly higher amounts. We consider the Office of Premier to be the most significant position in the province because of the responsibilities and pressures associated therewith and the long hours of work required of the holder thereof. We have concluded the sum of $50,000.00 is a fair and reasonable amount to be paid to the holder of this Office.

Furthermore, we are mindful of the fact that on certain occasions protocol requires the attendance of the Premier's spouse at events held outside the province. We do not believe the expenses associated therewith should be borne personally by the Premier. We, therefore, recommend that when attending these functions and the Premier is travelling within Canada on Government of Saskatchewan business, the expense of the spouse be covered. This expense should be paid either from the budget of the Executive Council or by a separate allowance.

In determining the amounts to be paid to Cabinet Ministers, the Leader of the Opposition, the Leader of the Third Party and the appointed positions of the Legislature, we believe it fitting to use the Premier's salary as the standard by which these sums are fixed. Thus, our recommendations are expressed as a percentage of the Premier's salary which we trust recognizes the significance of each office compared to that of the Premier, and also, will afford a convenient method of reviewing salaries in the future.

The Office of Deputy Premier has evolved over the years into a position of significance that, in our opinion, is somewhat more important than that of a Cabinet Minister. We believe the status of this Office should now be recognized in a formal manner and accordingly recommend the Deputy Premier receive 80 percent of the Premier's salary or $40,000.00.

For all other Cabinet Ministers, we recommend 70 percent of the Premier's salary or $35,000.00.

Traditionally the Leader of the Opposition has received the same salary as a Cabinet Minister and we see no reason to change this practise.

At present the Speaker of the Legislature receives a salary of $11,054.00 which is significantly lower than that paid to his counterparts in all other provinces except Prince Edward Island and Yukon. Many provinces recognize the importance of this position and pay the holder thereof the same salary as a Cabinet Minister. We believe, in due course, such recognition should be given to the Office of Speaker in Saskatchewan but cannot recommend at this time an increase of such a substantial nature. We do recommend, however, the Speaker be paid 40 percent of the Premier's salary or $20,000.00. This indemnity is still significantly lower than the salary paid to Speakers in most other provinces.

The Board of Internal Economy has suggested the positions of Legislative Secretary, Deputy Speaker, Opposition House Leader, Government Whip and Opposition Whip be treated in the same manner as their duties are similar in importance. We believe this suggestion to be reasonable and accordingly recommend that the holders of these offices be paid 15 percent of the Premier's salary or $7,500.00. We recommend that the positions of Deputy Whips and Chairmen of the Crown Corporations Committee and Public Accounts Committee be paid half this amount or $3,750.00.

The Leader of the Third Party and the Third Party Whip have traditionally received half of the salaries paid to the Leader of Opposition and the Opposition Whip and we recommend this practise be continued. Should these positions be filled in the future, the salary therefore for the Leader of the Third Party would be $17,500.00 and the Third Party Whip $3,750.00.

Finally, we recommend that future pay increases be based on the increase of the cost of living in Saskatchewan as calculated by the Consumer Price Index and be paid yearly.

In arriving at our recommendations, we have been reminded of the dilemma that always faces those who undertake to set salaries for elected officials. It is to arrive at a remuneration that is not so generous as to make it the main inducement for seeking office nor so small that it discourages qualified candidates from running. We trust we have struck a proper balance between these two competing factors that is consistent with indemnities paid to legislators in other provinces and also recognizes the reasonable financial requirements of those who hold elected office in Saskatchewan.

In conclusion, we wish to express our appreciation to Mr. Gordon Barnhart, the Clerk of the Legislative Assembly, and his staff, for providing the resource material we required for our deliberations. We are grateful for this assistance which made our task considerably less difficult.

All of which is respectfully submitted.

The Honourable Mr. Justice E.C. Malone

E.K. (Ted) Turner

Geo. E. Solomon